

abroad; and, unhappily, it was justly inferred that gold also continued to be abstracted for the selfish and deluded purpose of hoarding.

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Wth.*

The adequacy of the amount of currency, it was found, had been successfully provided by the issue of the Government notes; and no *actual* suspension of the Bank Act (the authority to issue notes independent of a reserve in gold) had occurred although authority for this procedure had been obtained should necessity arise. [The reader is referred to a prior page.] It is a memorable tribute to our economic stability and organisation that during the acutest and, equally, the most prolonged crisis to which our finances had been historically subjected, the mighty orb of our commercial universe—the Bank of England—pursued its customary and ordered circuit without adventitious intervention or aid. Still, in the Money Market, enterprise and activity languished, though it must be admitted that this enforced quiescence was partially due to the necessary devotion of thought and labour in reducing the complicated condition, into which business had fallen, into its normal regularity and control.

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Additional measures for relieving the tension and securing the buoyancy of trade were still evidently urgent: anxiety especially continued with respect to the discount of bills of exchange accepted prior to the 4th of August. It was imperative to render available the funds of banks and bill-brokers for the customary transaction of fresh business; for the bills they possessed were unserviceable (and accordingly large potential funds were uselessly stagnant) in consequence of the collapse of remittances to meet them from abroad. The course of new business-operations was thus finally arrested; and so vast an undertaking of restoring fluidity in use to • enormous and idle resources could

only be sustained by the State—in other words, the financial credit of the country. Hence the Government, after conference with the Bank of England and the other banks, agreed to guarantee the Bank